

## Four Factors that Could Shape Southeast Asia in the Coming Decade

By Amitav Acharya

Southeast Asia is witnessing major changes to its political, strategic and economic fabric. Some of these, such as the rise of China, have been anticipated for some time, while others, such as the US-China trade dispute, the growing prominence of the Indo-Pacific as a strategic concept, and the Trump administration's retreat from liberal internationalism, have unfolded rapidly and disruptively during the past few years.

This brief analysis examines the four factors that will shape the security of Southeast Asia in the coming decade (1) great power geopolitics; (2) intra-regional relations and domestic politics; (3) non-traditional challenges including economic, environmental, demographic and technological issues; and (4) the role of the Association of Southeast Asian Nations (ASEAN), including the future of ASEAN centrality.

In terms of great power geopolitics, China's rise dominates the security landscape of Southeast Asia. However, concerns that Southeast Asian states will collectively bandwagon with China have proven to be unfounded. China's Belt and Road Initiative (BRI), has encountered resistance, with Malaysia, Indonesia, and Thailand maintaining cautious approaches towards it. Moreover, while China's economic and military power in the region grow, it suffers from a serious soft-power deficit.

The Trump administration has dropped Obama's "rebalancing" strategy and adopted the "Indo-Pacific" idea, one element of which is the Quadrilateral Security Dialogue (QUAD). The Indo-Pacific approach entailed renaming of the US Pacific Command as the US Indo-Pacific Command and a much more active and frequent program of Freedom of Navigation Operations (FONOPS) in the disputed waters of the South China Sea. But this has not led to perceptions of a greater US engagement in the region.

Japan and India have stepped up their engagement with Southeast Asia, partly as a response to China's increasing power and especially owing to concerns about BRI. But while Japan endorses Trump's Indo-Pacific strategy, albeit with a greater focus on economic engagement, India is more cautious, not wanting to turn it into a military front against China.

Overall, despite concerns over the growing US-China competition, ASEAN has not abandoned its "co-engagement" of both the United States and China. Nor is there any decisive sign of the region choosing sides in the US-China rivalry. This could change if China becomes more assertive (which would lead more regional countries to turn to Washington) or the United States suffers a major decline in its credibility and trustworthiness as a strategic partner in the region (which will draw the region into the Chinese orbit).

A second factor is intra-regional conflict and domestic political change. Intra-ASEAN relations are strained by occasional spikes in bilateral tensions such as in Singapore-Malaysia relations. But intra-ASEAN disputes remain containable. On the other hand, the territorial dispute in the South China Sea remains the main regional conflict affecting security in Southeast Asia for the foreseeable future. Some progress towards diffusing the conflict is in sight, especially with the adoption of a Single Draft South China Sea Code of Conduct Negotiating Text (SDNT) between China and ASEAN. The willingness of China to agree to a code of conduct, which will not resolve the dispute but might prevent it from escalating further, should be seen against the backdrop of China having already completed a substantial degree of construction and militarization of its occupied islands.

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Distinguished  
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Southeast Asia hovers between democracy and authoritarianism. The trend towards greater political openness in Malaysia is offset by Cambodia's slide into deeper authoritarianism, and the impact of a populist leader in the Philippines. Democracy in Myanmar and Thailand remain seriously constrained by military influence, which could endanger stability there.

Economic and environmental forces are also shaping the outlook for Southeast Asia in the 2020s. Despite the region's generally good economic fundamentals and the possibility that Southeast Asia may benefit from the adjustments to global supply chains triggered by the trade war, the persistence of US-China economic and geopolitical conflict along with the growing antipathy towards globalization in the West might damage the region's economic prospects.

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Southeast Asia is one of the regions of the world most affected by deforestation and climate change. Environmental degradation caused by deforestation and commercial plantation farming has been a major factor behind the recurring air pollution (haze) in Indonesia, Malaysia, and Singapore. Apart from heavy economic costs, the haze has caused political tensions among these ASEAN countries.

Last but not the least, the fate of ASEAN itself is a key variable in Southeast Asia's security prospects. ASEAN remains and is likely to remain key to the regional stability of Southeast Asia. And vital to ASEAN's role is the fate of the concept of "ASEAN centrality". ASEAN centrality implies that ASEAN should remain at the center of the regional architecture, especially multilateral institutions and dialogues, in the Asia-Pacific or Indo-Pacific region and that all major powers should respect ASEAN's role in the "driver's seat" of regional cooperation. But in recent years, this has been challenged. Forging a relationship with China has divided ASEAN, with Cambodia and the Philippines showing greater deference to Beijing in return for aid and diplomatic cover. And ASEAN has no common stance towards China's essentially bilateral Belt and Road Initiative (BRI).

Another potential challenge to "ASEAN centrality" is the Indo-Pacific concept, originally pushed not by ASEAN (except Indonesia individually), but by outside powers such as Australia, Japan, India, and the United States. This has led to defensive moves by Indonesia to come up with a more inclusive Indo-Pacific strategy of its own to preserve ASEAN's principles and position. ASEAN has also developed a significant degree of cooperation and "community-building" which will help it with external uncertainties and challenges. ASEAN will continue to develop its three communities, namely the ASEAN Economic Community, the ASEAN Political-Security Community, and the ASEAN Socio-Cultural Community, with varying degrees of progress. ASEAN does, however, need to make more overall progress in regional cooperation to gain the support of the people of the region.

In the meantime, the sense of an ASEAN identity, which is key to long-term prospects for ASEAN community-building, has grown primarily among elites; the ordinary people of the region are a long way from developing a "we feeling" with ASEAN.

In terms of the future of U.S.-ASEAN relations, an opinion survey by Singapore's Yusof-Ishak Institute shows that 47% of respondents see the United States as an unreliable strategic partner whose engagement with the region has declined under the Trump administration. The good news for the United States may be that confidence in Beijing also remains low, even as China is seen as the "most influential strategic and political power" in the region. This should remind US policymakers to take this region seriously as a generally friendly area for US interests and do more to support and promote US relations with regional countries and with ASEAN.

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